



CENTERS FOR INDEPENDENT LIVING COMPLIANCE REVIEW REPORT

FREED Center for Independent Living

Grant Award Numbers: H132A980826 (Grass Valley) and
H132A010004 (Marysville)

REVIEW DATES: October 22-24, 2012

Draft Report: December 12, 2012

CIL Response: January 14, 2013

Final Report: February 1, 2013

REHABILITATION SERVICES ADMINISTRATION

TABLE OF CONTENTS

I. PURPOSE OF THE ON-SITE MONITORING REVIEW	2
II. METHODOLOGY	2
III. MISSION AND DESCRIPTION	3
IV. ORGANIZATIONAL STRENGTHS AND EMERGING PRACTICES	4
V. OBSERVATIONS AND RECOMMENDATIONS	4

I. PURPOSE OF THE ON-SITE MONITORING REVIEW

Sections 706(c) and 722 of the *Rehabilitation Act of 1973, as amended* (Rehabilitation Act) mandate that the Rehabilitation Services Administration (RSA) conduct on-site reviews of centers for independent living (CILs) funded under Title VII, Part C, Section 722. The objectives of on-site reviews are to:

- assess compliance with the requirements of Section 725(b) and (c)(3) of the Rehabilitation Act and 34 CFR 366.60-366.63;
- study program operations, organizational structure and administration of the CIL under Section 725(c)(1), (2), (5) and (6) of the Rehabilitation Act and 34 CFR 366.2 and 366.50;
- review documentation sufficient to verify the accuracy of the information submitted in the most recent 704 Annual Performance Report;
- verify that the CIL is managed in accordance with federal requirements in the Education Department General Administrative Regulations (EDGAR);
- assess CIL conformance with its work plan, developed in accordance with Section 725(c)(4) of the Rehabilitation Act and 34 CFR 366.50(d)(2), conditions of the CIL's approved application, and consistency with the State Plan for Independent Living (SPIL);
- identify areas of suggested or necessary improvements in the CIL's programmatic and fiscal operation and provide technical assistance resources available on the local, state, regional and national level;
- identify areas of exemplary work, projects and coordination efforts and make this information available to the larger CIL community; and
- provide an opportunity to share information with experienced nonfederal individuals involved in the operations of CILs and make available technical assistance to enhance CIL operations or to minimize or to eliminate problem areas.

II. METHODOLOGY

The on-site review of Freed Center for Independent Living was conducted from October 22 to 24, 2012. The program review covered the independent living (IL) operations and activities of FREED and the financial review examined its participation in Title VII, Part C, of the Rehabilitation Act. RSA used the On-Site Review Guide (ORG) to conduct the on-site review. During the review, interviews were conducted with the center's management, staff, consumers and members of the board of directors. In addition to the interviews, program and financial documents were reviewed in accordance with the protocol required by RSA's ORG, including written policies and procedures, a sample of consumer service records (CSRs), and other documents that verified compliance with standards and indicators. CSRs were selected for review on a random basis. RSA conducted an exit conference at the conclusion of the review to provide feedback on initial impressions from the review.

The RSA review team included the following individuals:

- Elizabeth Akinola, RSA program specialist;
- Rebecca Coffin, non-federal reviewer; and

- Cheryl Kasai and Michelle Davis, representatives of the designated state unit (California Department of Rehabilitation).

III. MISSION AND DESCRIPTION

FREED's mission is to eliminate barriers to full equality for people with disabilities through programs, which promote independent living and effect systems change, while honoring dignity and self-determination.

FREED serves the following northern California counties: Nevada, Sierra, Yuba, Colusa and Sutter. The center was awarded its first grant under Title VII, Chapter 1, Part C, of the *Rehabilitation Act of 1973, as amended*, in 1998.

In addition to the four core services, FREED is involved in the following projects on behalf of individuals with significant disabilities:

Computer and internet access: This program makes computers with Internet access available at the FREED offices for use by people with disabilities who are working on goals that increase their independence. Adaptive computer devices and software may be available to accommodate certain disabilities.

Fix it: This program uses volunteers to make minor home repairs or modifications which are health or safety related. These minor home repairs and modifications support people with disabilities, including seniors to continue to live in their own homes and not become institutionalized. Fix it services are available to any senior age 60 or older, living in Nevada, Sierra, Yuba or Sutter Counties. In addition, Nevada County and Yuba City residents of any age, with a disability, qualify for these services.

Friendly Visitor: This program uses volunteers to visit with interested consumers. A visit might be about activities such as having a conversation, playing cards, looking through photo albums, reading out loud, or sharing common interests. If the consumer prefers, a volunteer can telephone him or her for a visit.

Transportation voucher: This program provides rides on the Yuba Sutter Transit system – either Dial-a-Ride or fixed route bus – at discounted prices to people with disabilities including seniors. This service is available to any Yuba or Sutter county resident age 60 or over. People of all ages who have disabilities and low incomes are also eligible.

Assistive Technology Equipment Re-use: This program distributes wheelchairs and other equipment like bath aids and walkers to individuals with disabilities who have a need for the equipment and no other means to acquire it. Equipment is obtained through donations from individuals. Individuals with disabilities who request equipment complete an intake. An equipment release form is signed by the requesting individual at the time they take possession of the equipment. Individuals who donate equipment to the program receive a thank-you letter which serves as a receipt for tax purposes.

Device Lending Library: This program provides assistive technology devices to individuals with disabilities on a try-out basis for usability in meeting the individual's needs before purchases are made. Services are available to FREED consumers, local organizations, schools, employers and businesses. FREED is a Device Lending Library program center, one of 13 California Assistive Technology Exchange centers throughout the State. The Device Lending Library Program lends devices on a short or long term basis at no charge.

IV. ORGANIZATIONAL STRENGTHS AND EMERGING PRACTICES

Aging and Disability Resources Connection (ADRC): This program assists people in making informed decisions about their short or long-term care needs, and assists individuals in developing a plan to be able to live as they want in the community. The ADRC process helps the consumer form a realistic view of what the community options in Nevada County really are. The consumer is encouraged to develop an action plan and then become responsible for carrying out the steps of the plan. A sample plan might include contacting family members for their input, contacting a financial advisor or planner to help with the money issues, or gathering information from local agencies on energy assistance or low cost telephone programs. It is up to the consumer to follow through on the plan but assistance from the program coordinator is readily available if needed. A follow-up call is made to see if the consumer has been successful or if an amended plan is needed. These services are available to any person in Nevada County with a disability, and all seniors, regardless of age or income. FREED serves as the fiscal agent and lead agency for the Nevada County ADRC. The program provides easy access to a broad array of services, a continuum of help in accessing services and advocacy for individuals desiring long term support service and information.

V. OBSERVATIONS AND RECOMMENDATIONS

During its review activities, RSA identified the observations below and made recommendations that FREED may consider. In addition, the completed ORG is attached to the report.

1. CSR Management

Observation: RSA randomly selected and reviewed 22 Consumer Service Records (CSRs) at FREED's two locations: 13 active and 9 inactive. All of the CSRs reviewed contained complete and specific information about services requested, services provided, IL goals or objectives established, and IL goals and objectives achieved independent living plans (ILPs) and waivers. However, the CSR information and accompanying narratives were not always consistent in layout, format and quality. For example, there was no uniformity in the type of release of consumer information forms used at the Grass Valley office and the Marysville office; none of the release of information forms contained permission for use of consumer photographs for CIL activities and publications; and not all records reviewed contained the same level of detailed information about the consumer's roles and responsibilities for achieving their IL goals. FREED maintains all CSRs electronically and prints out required documentation in hard copy for filing. At the Grass Valley office, the active and inactive hard copy files are not separated or labeled; therefore, the CSRs were difficult to identify by status for review. The executive director and program director reassured RSA that the Grass Valley office will conduct a complete overhaul of

the filing system for access and review. FREED staff also expressed an interest in taking the CSR Rapid course offered by ILRU.

Recommendation: RSA recommends that FREED review and revise its training, supervision and quality assurance procedures related to case management and CSR documentation, in addition to developing and using uniform release of consumer information forms at both the Grass Valley and Marysville offices. The release of information forms should contain permission for use of consumer photographs for CIL activities and publications; and CSRs in hard copy that are made inactive should be separated from those that are still in active status at the Grass Valley office for easy access and review.

Technical Assistance: FREED staff may take the CSR rapid course located at <http://ilru.org/html/training/rapidCourses/index.html>. This module, the first in a three-part series, is offered by the Independent Living Resource Utilization and covers the CSRs and ILPs, fundamental federal requirements for record keeping and reporting, the importance of CSRs in meeting the reporting requirements for the annual federal 704 Report of services and activities, and useful practices for gathering consumer information, developing ILPs, and maintaining complete and accurate records. The primary audience is front line workers in CILs and it is designed to be used in orientation and training for new CIL staff and as a refresher for existing staff.

FREED Response: *FREED is conducting a review of all forms used in both offices to ensure uniformity of content. Staff will be trained to more consistently and appropriately use FREED's standard release of information form. FREED has a separate Media Release Statement form for obtaining approval for use of names, statements, photos, videos, or audio recording. This release of information will continue to be utilized when appropriate.*

FREED will provide training to staff on CSR documentation to ensure quality content and appropriate note details for achieving IL goals and plans. FREED will explore the rapid online course provided by ILRU covering CSRs and ILPs.

Management has discussed the issue of detail of consumer and staff roles and responsibilities as part of the IL plan development. Staff will be providing detailed notes in the IL plan with a copy of the IL plan and goals given to consumers so that they can be more informed on the process and understand the role of each person. FREED's database is now available on-line with information available for both offices. FREED will designate a staff person to review consumer files from both offices for quality assurance and consistency.

Inactive and active consumer files have been separated in the Nevada City consumer filing system.

FREED will take the following Action Steps to address the identified recommendations that have not already been completed. The numbers associated with the Action Steps, correspond to the Responsible Parties and Timeline for Completion.

Action Steps:

1. Review all forms from both offices for uniformity of content
2. Staff provided with uniform forms for intake, goals, and plans

3. *Staff training on all forms including release of information*
4. *Service staff and Program/Branch Manager CSR rapid course training, both offices*
5. *Staff Meetings to discuss/follow-up on CSR rapid course training*
6. *Designate staff person and then begin reviewing CSR's in both offices*

Responsible Party:

1. *Pam Matteson, Project Manager*
2. *Pam Matteson, Project Manager*
3. *Cheryl Bergan, Program Manager*
4. *Pam Matteson, Project Manager*
5. *Pam Matteson, Project Manager*
6. *Pam Matteson, Project Manager*

Timeline for Completion:

1. *February 28, 2013*
2. *March 30, 2013*
3. *May 30, 2013*
4. *June 30, 2013*
5. *July 30, 2013*
6. *March 1, 2013 and then quarterly thereafter*

2. Policies and Procedures on Drawdown of Federal Funds and Purchasing

Observation: Regarding FREED policies and procedures on drawdown of federal funds and purchasing, RSA made the below observations.

- FREED has clearly defined policies in place for the drawdown of federal funds. The financial manager also has some hand written notes that provide directions on how to draw down and use Title VII, Part C funds. However, the center does not have a formal written procedure for implementing the policies to ensure that all drawn down federal funds are consistently transferred out within three days.
- FREED has a purchasing policy that is consistently implemented because the Managers do a great job of communicating with each other on a daily basis so that all purchases are brought to the attention of the Operations Manager before they are made. However, sometimes purchase orders are signed for approval after the purchase has been made.

Recommendation: RSA recommends that FREED make the following changes related to its procedures:

- 2.1 develop a formal written procedure to better implement the drawdown policies to ensure that all federal funds are transferred out within 3 days of when drawdowns are made;

- 2.2 strengthen its procurement procedure to ensure that the Operations Manager and/or Executive Director signs all purchase orders before purchases are made, not after; and
- 2.3 provide the corresponding CIL board, management and staff training to ensure that all procedures are consistently followed.

FREED Response: *The Administrative Memorandum 30-01 “Accounting Function Outline” has been updated to include a section (4.) on Drawdown of Federal Funds (See attached copy.) This policy clarifies that drawdowns must be transferred out within 3 days. The Financial Manager’s Desk Manual has been formalized to clearly provide precise and up to date directions for handling Title VII C funds.*

The Procurement Procedure policy (AM 50-05) has been updated to make clear that all approval signatures on Purchase Orders including that of the Executive Director are in place prior to payment of the expense. (Copy of AM 50-05 attached) Board members, management and other staff will be trained to consistently follow this procedure.

FREED will do the following -

Action Step:

1. *Board members, management and staff training on AM 50-05 Procurement Procedures*

Responsible Party:

1. *Ana Acton, Executive Director*

Timeline for Completion:

1. *March 27, 2013*

3. Fiscal Reporting

Observation: A portion of the revenue reported in FREED’s fiscal year 2011 704 Part II annual report was done as a percentage and an estimate of the center’s fiscal year (July 1 through June 30) because of the limitations of the accounting system. Although all revenue submitted in the report is accurate and consistent with the method used, FREED should consider exploring the capabilities of its current accounting system to perform this function to ensure consistency. The executive director and financial manager assured the review team that FREED will research the accounting system and all relevant software to address this issue; and that meanwhile, all information required for the 704 Part II Report will have to be taken manually by month if needed to consistently and accurately report actual revenue received during the federal period of October 1 through September 30.

Recommendation: RSA recommends that FREED consider exploring the capabilities of its current accounting system to accurately calculate the information on sources and amounts of funding required for the centers’ two annual 704 Part II Reports to ensure consistency. If Peachtree, the current accounting system, does not have the capabilities, FREED should consider investing in another system that can perform this function.

FREED Response: *After exploration it has been concluded that FREED's current accounting software (Peachtree) is capable of providing the needed information for the 704 Reports and the 425 Financial form. (Reports are run directly from the General Ledger for the two separate fiscal years, then totaled to obtain the needed data.) Therefore, no change of software is required. The procedure for calculating figures for the 704 Reports has been revised to use grant amounts where needed and actual revenue where grant amounts do not apply. There will be no more use of percentages or estimates.*

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

REHABILITATION SERVICES ADMINISTRATION

Washington, D.C. 20202-2800

Center for Independent Living (CIL)

On-Site Review Instrument

Fiscal Year: 2013
Name of Grantee: FREED Center for Independent Living
Grant #s: H132A980826 and H132A010004
State: California

Rehabilitation Act of 1973, as amended

Title VII, Chapter I, Sections 706 and 722 – CIL Program

Part I

STANDARDS, INDICATORS AND ASSURANCES FOR CILS

The following questions are based on the CIL standards, indicators and assurances as required in Title VII of the Rehabilitation Act and the corresponding regulations. Unless otherwise noted, a “no” response indicates that the CIL did not demonstrate minimum compliance with the corresponding standard, indicator or assurance. A “no” response will be the basis for a corresponding finding in the report. The term *recommended practice* denotes a practice that, although not explicitly required by federal law or regulations, would, if followed, further the purpose of the independent living (IL) program.

I. Grantee is an Eligible Agency

Section 725(c)(1) of the Rehabilitation Act; 34 CFR 364.4(b)

Yes The CIL meets the definition of eligible agency as defined in the statute and regulations.

Verification Source: Articles of incorporation; bylaws; CIL policies and procedures

II. Standards and Indicators

Section 725(b) and (c)(3) of the Rehabilitation Act; 34 CFR Part 366, Subpart G; 704 Report, Part II

The purpose of this subpart is to measure the extent to which the CIL is in compliance with the standards and assurances in Section 725(b) and (c) of the act.

Compliance Indicator I – Philosophy

Section 725(b)(1) of the Rehabilitation Act; 34 CFR 366.63(a)

Consumer Control

Sections 702(2), 725(b)(1)(A) and 725(c)(2) of the Rehabilitation Act; 34 CFR 366.63(a)(1)

(a) Governing Board

Sections 725(b)(1)(A) and 725(c)(2) of the Rehabilitation Act; 34 CFR 366.50(b) and 366.63(a)(1)(i)(A)

Verification of Consumer Control

__6__ Number of persons on the governing board.

__5__ Number of governing board members with significant disabilities.

Yes Is line (ii) over 50 percent of line (i)?

Recommended Practice:

 0 Number of members from minority groups on the governing board.

Yes Verification that the CIL Board is the Principal Decision-Making Body

The CIL board is the principal governing body of the CIL, as evidenced, for example, by its bylaws, policies and procedures, and other practices ensuring that policy decisions are vested with the governing body.

Recommended Practices:

Yes The CIL has policies and procedures specifying board members' roles and responsibilities.

Yes The CIL has a written process for identifying and recruiting board members.

Verification Sources for Governing Board: CIL board handbook which contains:-- *AM 90-01: Policy for management and control of funds; AM 90-11: Resource development and fund raising plan; AM 90-20: Board of directors job descriptions; AM 90-21: Board of directors orientation, etc.; CIL bylaws*

(b) CIL Employees

Sections 725(b)(1)(A) and 725(c)(6) of the act; 34 CFR 366.63(a)(1)(i)(B)

<u>CIL Employees</u>	<u>Total Persons</u>	<u>Persons with Disabilities</u>
Decision-making positions	<u> 4 </u>	<u> 3 </u>
Other staff positions	<u> 12 </u>	<u> 9 </u>

Yes Over 50 percent of the CIL's employees in decision-making positions are filled by individuals with disabilities.

Yes Over 50 percent of staff positions are filled by individuals with disabilities.

Recommended Practice:

 3 Number of minority¹ employees (decision-making and other staff positions)

¹ In this instance, "minority" refers to members of racial or ethnic groups that have been traditionally underrepresented.

Verification Sources for CIL Employees: CIL employee/organizational chart; information from staff

Self-help and Self-advocacy

Section 725(b)(1)(B) of the Rehabilitation Act; 34 CFR 366.63(a)(2)

Yes The CIL promotes self-help and self-advocacy among individuals with significant disabilities.

Verification Sources for Self-help and Self-advocacy: CIL policies and procedures; CIL programs; consumer roles and responsibilities document; CIL bylaws; information from CIL consumers and staff

Development of Peer Relationships and Peer Role Models

Section 725(b)(1)(C) of the Rehabilitation Act; 34 CFR 366.63(a)(3)

Yes The CIL promotes the development of peer relationships and peer role models among individuals with significant disabilities.

Verification Sources for Development of Peer Relationships and Peer Role Models: CIL programs and services document; CIL bylaws; information from CIL consumers and staff

Equal Access

Section 725(b)(1)(D) of the Rehabilitation Act; 34 CFR 364.23(b) and 366.63(a)(4)(5)

Yes Ensures equal access of individuals with significant disabilities, including communication and physical access, to the CIL's services, programs, activities, resources and facilities, whether publicly or privately funded.

Equal access, for purpose of this question, means that the same access is provided to any individual with a significant disability regardless of the individual's type of disability.

Yes Advocates for and conducts activities that promote the equal access to all services, programs, activities, resources and facilities in society, whether public or private, and regardless of funding source, for individuals with significant disabilities.

Equal access, for the purposes of this question, means that the same access provided to individuals without disabilities is provided in the center's service area to individuals with significant disabilities.

- Yes To the maximum extent feasible, makes available personnel able to communicate with individuals with significant disabilities who rely on alternative modes of communication (manual communication, nonverbal communication, Braille, audiotapes, etc.) and who apply for or receive IL services.
- Yes To the maximum extent feasible, makes available personnel able to communicate in the native languages of individuals with significant disabilities whose English proficiency is limited and who apply for or receive IL services.
- Yes Makes available in alternate formats, as appropriate, all of its written policies, materials and IL services (e.g., Braille, large print, audio tape).
- Yes The CIL is physically accessible for individuals with significant disabilities, for example, individuals with mobility disabilities (e.g., signage, doors, bathrooms, parking lots) or individuals with Environmental Illness and Multiple Chemical Sensitivity (e.g., no-fragrance policy or use of “green” cleaners).
- Yes The CIL ensures communication access for individuals with significant disabilities by using, for example, TDDs/TTYs for individuals with hearing disabilities or picture boards and/or other means of communication for individuals with cognitive disabilities.

<u>Types of reasonable accommodation:</u>	<u>Full-time</u>	<u>Part-time</u>	<u>Upon Request</u>
Interpreters are available at the CIL.	_____	_____	__X__
Readers are available at the CIL.	_____	_____	__X__
Personal attendants are available at the CIL.	_____	_____	__X__

Verification Sources for Equal Access: 10-16: FREED ACCESSIBILITY POLICY; 10-19: *Use of TTY (Teletypewriter)*; Observation of review team; information from CIL staff and consumers.

Compliance Indicator 2- Provision of Services on a Cross- Disability Basis

Section 725(b)(2) of the Rehabilitation Act; 34 CFR 366.63(b)

- Yes Provides IL services to eligible individuals or groups of individuals without restrictions based on the particular type or types of significant disability of an individual or groups of individuals, unless the restricted IL service (other than the IL core services) is unique to the significant disability of the individuals to be served, e.g., Braille instruction for persons who are blind.

- Yes Provides IL core services to individuals with significant disabilities in a manner that is neither targeted nor limited to a particular type of significant disability.
- Yes Provides IL services to individuals with a diversity of significant disabilities and individuals who are members of populations that are unserved or underserved by programs under Title VII of the act.

Verification Sources for Provision of Services on a Cross-Disability Basis: AM 10-12: nondiscrimination policy; CIL bylaws; information from CIL staff and consumers.

Compliance indicator 3 – Independent Living Goals

Section 725(b)(3) of the Rehabilitation Act; 34 CFR 366.63(c); 34 CFR 364.52; 34 CFR 364.53

- Yes The CIL maintains a consumer service record (CSR) for each consumer.

The CSRs contain:

- Yes Documentation showing that the individuals are eligible or ineligible for services (only those eligible are served).
- Yes Written Independent Living Plans (ILPs) or written waivers from the consumers stating that ILPs are unnecessary.
- Yes Information on the services requested by, and the services provided to, or arranged for, the consumers.
- Yes The IL goals or objectives established with the consumers, whether or not in the ILPs.
- Yes The goals or objectives the consumers believe they have achieved.

The CIL maintains documentation on:

- Yes CIL notification to consumers of their right to develop, or waive the development, of an ILP.
- Yes The number of ILPs developed by consumers receiving services from the CIL.
- Yes The number of waivers signed by consumers receiving services from the CIL stating that an ILP is unnecessary.

Yes The CIL's facilitation of the development and achievement of IL goals selected by individuals with significant disabilities who request assistance from the CIL.

Yes The CIL's provision of opportunities for consumers to express satisfaction or dissatisfaction with the CIL's services and policies and documentation the CIL sends any results to its governing board and the appropriate SILC.

The ILPs:

Yes Indicate the goals or objectives established, the services to be provided and the anticipated duration of the services.

Yes Are developed jointly and signed by the appropriate CIL staff member and the individual with a significant disability/legally authorized representative.

Yes Are provided in accessible formats, as needed.

Yes Are reviewed at least annually to determine whether services should be continued, modified or discontinued and/or whether the individual should be referred to another program, including VR, developmental disability or special education individualized plans as appropriate.

Recommended Practice:

Yes The CIL has written CSR management policies and procedures.

Verification Sources for Independent Living Goals: CFAL/704 generator; printout of consumer listing; CSRs; information from CIL staff and consumers; results of consumer surveys; AM 40-02 and 40-03: Consumer Appeal Process; AM 40-09 : Consumer Satisfaction process and instrument; project manager's job description.

**Compliance Indicator 4 – Community Options and Community Capacity
Section 725(b)(4), (6), and (c)(10) of the Rehabilitation Act; 34 CFR 366.63(d)**

The CIL performed at least one activity in each of the following categories during the reporting year:

Yes Community advocacy.

Yes Technical assistance to the community on making services, programs, activities, resources and facilities in society accessible to individuals with significant disabilities.

Yes Public information and education.

- Yes Aggressive outreach to populations of individuals with significant disabilities that are unserved or underserved by programs under Title VII of the act in the CIL's service area.
- Yes Collaboration with service providers, other agencies, and organizations that could assist in improving opportunities for individuals with significant disabilities to avail themselves of the services, programs, activities, resources and facilities in the CIL's service area.
- Yes Did the CIL's outreach to unserved or underserved populations include minority groups and urban and rural populations?

Verification Sources for Community Options and Community Capacity: AM 10-16: FREED ACCESSIBILITY POLICY 40-51 through 40-80: CIL programs description; information from CIL staff and consumers.

Compliance indicator 5 – IL Core Services and Other IL Services
Section 725(b)(5) of the Rehabilitation Act; 34 CFR 366.63(e); 34 CFR 364.51(b)(2)(iii); 34 CFR 364.58

- Yes The CIL provides information and referral services to all individuals who request this type of assistance from the CIL in accessible formats.

The CIL provides the following services in response to requests from individuals with significant disabilities who are eligible for IL services:

- Yes Independent living skills training.
- Yes Peer counseling (including cross-disability peer counseling).
- Yes Individual and systems advocacy.
- Yes A combination, as appropriate, of any two or more of the IL services defined in Section 7(18)(B) of the act.

The CIL maintains documentation regarding notification of applicants and consumers about:

- Yes Policies and procedures, including accessible formats, to obtain review of decisions made by the CIL concerning requests for/provision of IL services.
- Yes The availability of the Client Assistance Program (CAP) and how to contact the CAP, including accessible formats.

Verification Sources for IL Core Services and Other IL Services: : AM 40-51 through 40-80 CIL programs description; and AM 10-16: FREED ACCESSIBILITY POLICY; information from CIL staff and consumers.

Compliance indicator 6 – Resource Development

Section 725(b)(7) of the Rehabilitation Act; 34 CFR 366.63(e)

Yes The CIL during the reporting year conducted resource development activities to obtain funding from sources other than Chapter 1, Title VII, of the act.

Verification Sources for Resource Development Activities: CIL bylaws; policies and procedures; review of CIL funding sources and accounting documents; information from CIL board and staff

III. Program and Financial Planning Objectives

Section 725(c)(4) of the Rehabilitation Act; 34 CFR 366.50(d)

Yes The CIL has established annual and three-year program and financial planning objectives.

Yes The objectives include the CIL's goals and mission.

Yes The CIL has a current work plan for achieving the goals or mission and has included specific activities to meet the requirements in the indicators.

Yes The work plan includes specific services, priorities and types of services to be provided.

Yes The objectives and work plan are consistent with the current SPIL.

Recommended Practices:

Yes The work plan includes objectives and goals for obtaining or increasing non-Title VII funding.

Yes The work plan addresses board, staff and/or volunteers training.

Verification Sources for Program and Financial Planning Objectives: *90-11: Resource Development & Fund Raising Plan.*

IV. 704 Report Accuracy and Documentation

Section 725(b)(c) of the Rehabilitation Act; 34 CFR 366.50(h)(i)

Yes The CIL has implemented internal controls and procedures (including quality assurance) to ensure 704 Report accuracy and documentation.

Yes Based on the CSRs, consumer lists, physical files and other documentation reviewed by RSA, the funding sources and amounts, CSR data (number of consumers, consumer demographics, ILPs and waivers, IL services and goals), standards and assurances compliance and other information in the most recent 704 Report are accurate and complete.

Part II

ORGANIZATION AND ADMINISTRATION OF THE CIL

V. Organizational and Personnel Practices

Sections 704(m)(2) and 725(c)(5) of the Rehabilitation Act; 34 CFR 364.31; 34 CFR 366.50(e)

Yes The CIL uses sound organizational and personnel assignment practices (including organizational chart indicating lines of authority, job descriptions, performance appraisals).

Yes The personnel practices include affirmative action to employ and advance in employment qualified individuals with significant disabilities.

Recommended Practice:

Yes The CIL has personnel policies addressing such areas as wage and salary, fringe benefits, vacation and sick leave, etc.

Verification Sources for Organizational and Personnel Practices: FREED mission statement; FREED employee handbook; Org chart; staff, board and volunteer job descriptions; AM100-01 volunteer system policy; AM 20-12 employee orientation policy; staff training plan for each of FREEDD's two offices; also extensive Administrative Memorandum on particular staff tasks, such as "entering FREED's service program, sample intake form, eligibility policy, and CSR documentation; AM 10-12: nondiscrimination policy; AM 10-16: accessibility policy; AM 20-13: procedure and affirmative action plan for employment.

VI. Staff Development and Training

Section 725(c)(11) of the Rehabilitation Act; 34 CFR 364.23(a); 34 CFR 364.24; 34 CFR 366.50(l)

Yes The CIL includes personnel who are specialists in the development and provision of IL services and in the development and support of centers.

Yes The CIL has established and maintains a program of staff development for all classes of positions involved in providing IL services and, where appropriate, in administering the CIL program.

Yes The staff development program is directed at improving the skills of staff directly responsible for the provision of IL services, including knowledge of and practice in the IL philosophy.

Yes The staff receives training on how to serve unserved and underserved populations, including minority groups and urban and rural populations.

Recommended Practice:

Yes The CIL has a governing board training and development program.

Verification Sources for Staff Development and Training: Job descriptions; personnel files; AM 20-04: staff in-service and education opportunities; Training Plans for each of FREED's two offices; staff training folder which includes training/in-service log, training verifications and certifications; AM 90-21: board of director's orientation; board meeting minutes and by Laws.

Reviewer's note: At the beginning of this review, FREED had no formal written Board Training Plan; also, there was no policy for reimbursement to Board members for training and travel expenses. However, based on review team recommendations, at the end of the review on 10/24/2012, FREED board and management had developed a formal written Board Training Plan and revised/updated AM-90-01: board management and financial controls, to address reimbursement policy for board members travel costs. The CIL will keep records on training and travel expenses

Conflict of Interest

EDGAR 34 CFR 75.525

Yes The CIL safeguards against a person (employee, board member, volunteer) to participate in an administrative decision regarding a project if the decision is likely to benefit that person or a member of his or her immediate family and that person is a public official or has a family or business relationship with the CIL.

Yes The CIL safeguards against any person in the project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private financial gain for that person or for others.

Verification Sources for Conflict of Interest: Employee handbook of August 2012 – conflict of interest, conflicting employment, prohibition against acceptance of gifts and/or gratuities Sections; AM 90-26: board conflict of interest.

VIII. Confidentiality

34 CFR 364.56(a)

- Yes The CIL has adopted and implemented policies and procedures to safeguard the confidentiality of all personal information, including photographs, publicity releases and lists of names that comply with 34 CFR 364.56(a) requirements including but not limited to:
- Yes protecting current and stored personal information.
- Yes informing IL applicants or consumers, authorized representatives, service providers and others, as appropriate, about the confidentiality of personal information and the conditions for gaining access to and releasing this information.

Recommended Practice:

- Yes The CIL has meeting space that ensures that consumers' confidentiality is protected when meeting with staff.

Verification Sources for Confidentiality: AM 40-08: confidentiality policy; AM 110-02: social media policy; AM 20-05: email and internet policy; AM 20-20: personnel records; FREED consumer rights and responsibilities document.

IX. Drug-Free Workplace

EDGAR 34 CFR 84.200 – 84.230

- Yes The CIL conforms to the requirements of a drug-free workplace.
- Yes A statement is published notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substances is prohibited at the CIL and specifying the action that will be taken against employees for violating the prohibition.
- Yes The CIL has established an ongoing drug-free awareness program.
- Yes Each grant-funded employee has been given a copy of the prohibition statement, including a notification that conditions of employment at the CIL require abiding by the statement and informing the director of the CIL of any convictions under a drug statute.

Yes The CIL has taken appropriate personnel action against employees or has required employees to participate in drug abuse assistance program or rehabilitation program if such employees were convicted under a criminal drug statute conviction.

Verification Sources for Drug-Free Workplace: AM 20-21: drug & alcohol free workplace.

X. Insurance Coverage

EDGAR 34 CFR 74.31

Yes The CIL has insurance coverage for real property and equipment acquired with federal funds equivalent to that provided for property owned by the grantee.

Verification Sources for Insurance Coverage: Hard copy of insurance policy taken from legal folder, photocopied and provided to review team.

XI. Nondiscrimination

EDGAR 34 CFR 75.500

Yes The CIL does not deny services to persons on the basis of their race, color, national origin, sex, age or the existence of a disability.

Verification Sources for Nondiscrimination: AM 20-13: hiring procedure and affirmative action plan for employment.

XII. Prohibition Against Lobbying

EDGAR 34 CFR 82.100; 2 CFR 230, Attachment B, Item 25

Yes The CIL has on file a signed and dated copy of the Certification of Lobbying Form ED-80-0013 against using federal funds to influence or attempt to influence any federal agency or Congress through lobbying activities as described in 2 CFR 230, Attachment B, Item 25 and EDGAR 34 CFR 82.100.

Recommended Practice:

Yes Incorporates provisions consistent with 2 CFR 230, Attachment B, Item 25 safeguarding against lobbying in its written policies and procedures.

Verification Sources for Prohibition Against Lobbying: Copy of certification ED 80-0013 obtained from files.

Part III

GRANTS MANAGEMENT

XIII. Sources and Amounts of Funding (as verified by the review team)

H132A010004 :

(A) Title VII, Ch. 1, Part B	\$13707
(B) Title VII, Ch. 1, Part C	\$9963
(C) Title VII, Ch. 2	\$0
(D) Other Federal Funds	\$508865
(E) State Government Funds	\$32365
(F) Local Government Funds	\$12704
(G) Foundations, Corporations, or Trust Grants	\$20907
(H) Donations from Individuals	\$15839
(I) Membership Fees	\$0
(J) Investment Income/Endowment	\$0
(K) Fees for Service (program income, etc.)	\$9251
(L) Other Resources (in-kind, fundraising, etc.)	\$9864

Item 4 - Total Income

Total income = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L)	\$722565
--	----------

Item 5 - Pass Through Funds

Amount of other government funds received as pass through funds to consumers (include funds received on behalf of consumers that are subsequently passed on to consumers, e.g., personal assistance services, representative payee funds, or Medicaid funds) \$0

Net Operating Resources

Total Income (Section 4) <minus> amount paid out to consumers (Section 5) =
Net Operating Resources \$722565

H132A980826:

(A) Title VII, Ch. 1, Part B	\$0
(B) Title VII, Ch. 1, Part C	\$184281
(C) Title VII, Ch. 2	\$0
(D) Other Federal Funds	\$106054
(E) State Government Funds	\$0
(F) Local Government Funds	\$0
(G) Foundations, Corporations, or Trust Grants	\$50027
(H) Donations from Individuals	\$4539
(I) Membership Fees	\$0
(J) Investment Income/Endowment	\$0
(K) Fees for Service (program income, etc.)	\$0
(L) Other Resources (in-kind, fundraising, etc.)	\$1280

Item 4 - Total Income

Total income = (A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)+(I)+(J)+(K)+(L) \$301181

Item 5 - Pass Through Funds

Amount of other government funds received as pass through funds to consumers
(include funds received on behalf of consumers that are subsequently passed on \$0
to consumers, e.g., personal assistance services, representative payee funds, or
Medicaid funds)

Net Operating Resources

Total Income (Section 4) <minus> amount paid out to consumers (Section 5) =

Net Operating Resources

\$301181

Grant Related Income

34 CFR 364.6; EDGAR 34 CFR 74.2 and 74.24

Yes If program income is generated with federal funds, such income is used for allowable and approved purposes.

Verification Sources for Grant Related Income: Reviewed grant contracts, billing reports, budget financial reports, invoices, time sheets, travel reimbursement sheets and the cost allocation worksheet.

Budget

EDGAR 34 CFR 74.21, 74.25, 75.702 and 75.730

Yes Expenditures are recorded by budget cost category and funding sources.

Yes Procedures are followed to assure expenditures are consistent with the approved budget of the CIL.

Yes CIL requests prior RSA approval for budget and program plan revisions, when required under EDGAR 74.25.

Verification Sources for Budget: Reviewed grant contracts, billing reports, budget financial reports, time sheets, travel reimbursement sheets, invoices, payroll journal entries and the cost allocation worksheet which ties to the time sheet allocations. also met with the Financial Manager, Irita Warner who explained her job responsibilities and her process for ensuring compliance.

XVI. Personnel Cost Allocation

2 CFR 230, Attachment B, Item 8(m)(1)

Yes Salaries and wages are charged based on documented payrolls approved by a responsible official.

- | | |
|-----|--|
| Yes | The distribution of salaries and wages are supported by personnel activity reports described in 2 CFR 230 Appendix B, Item 8(m)(2) and reflecting an after-the-fact determination of the actual activity of each employee. |
| Yes | The CIL maintains reports reflecting the distribution of activity of all staff members whose compensation is charged to the award. |

Reviewer's note: In reviewing the payroll process from the time sheets, payroll reports and the payroll journal entries posted into the accounting system, all are process consistently and accurately. All time sheets are signed by the employee and supervisor. They have the actual hours worked except for the last 3 days. Timesheets are due 3 days before the pay date so payroll can be processed and pay checks can be distributed on the last day of the pay period. (Payroll is processed twice a month on the 15th and last day of the month.) Employees put down what their anticipate work schedule will be for the last 3 days of the pay period. If an adjustment is needed for the last 3 days a correction is done in the next pay period with a payroll correction time sheet (which is attached to the current pay period time sheet), adjustments that are made are usually just between regular time worked and sick time.

XVII. Fiscal Management

EDGAR 34 CFR 74.21, 74.22, 74.52, 75.702, 75.707, 75.730; 2 CFR 230 Appendix A,

Paragraph D

The CIL's financial management systems provides for the following:

- | | |
|-----|---|
| Yes | Accurate, current, and complete disclosure of the financial results of each federally-sponsored project in accordance with the reporting requirements of the SF-425 financial status report, including program income, federal and recipient shares of expenditures, indirect costs, etc. |
| Yes | Records that identify adequately the source and application of funds for federally-sponsored activities. |
| Yes | Effective control over and accountability for all funds, property and other assets in order to safeguard all assets and ensure they are used solely for authorized purposes. |
| Yes | Comparison of outlays with budget amounts for each award. |
| No | Written procedures that minimize the time between the transfer of funds and the disbursement of funds by the recipient. |

- Yes Written procedures for determining the reasonableness, allocability and allowability of costs.
- Yes Accounting records, including cost-accounting records, supported by source documentation and entries are made on a timely basis.
- Name/Title of person responsible for preparation of the SF-425: Irita Warner, Financial Manager
- Yes The CIL has an approved U.S. Department of Education cost allocation plan (CAP) or indirect cost rate.
- Yes The CIL distributes administrative costs among its various funding sources in an equitable manner as described in the CIL's approved CAP or indirect cost rate.

Verification Sources for Fiscal Management: Reviewed the approval letter from the US Department of Education dated 3-16-2007, which states the approval of the cost allocation plan that went into effect on 1-1-2007 and will remain in effect until a revision is necessary. Reviewed the cost allocation worksheet and the process with the Financial Manager; all expenses including administrative costs are allocated correctly according to the approved plan. also reviewed the time study reports that are done on a quarterly basis and they are also done correctly according to the approved cost allocation plan. The Financial Manager has some hand written notes on directions for the drawdown of Title VIIC funds. A formal written procedure needs to be added to the policies that the draw down funds will be transferred out within 3 days.

XVIII. Accounting Systems

EDGAR 34 CFR 74.21

- Yes The organization maintains a formal accounting system.

If the accounting system is computerized, identify the accounting program software used:
Peachtree

The elements of the formal accounting system are (*check as appropriate*):

- ☒ General Ledger
- ☒ Grant Ledger
- ☒ General Journal
- ☒ Cash Receipts

Describe other(s): FREED also uses Microsoft Excel to break out the cost allocations.

The formal accounting system is maintained by (*check as appropriate*):

☐ Cash basis

☒ Accrual basis

Describe other(s):

Verification Sources for Accounting Systems: Reviewed the accounting system with the Financial Manager, along with the trial balance, budget financial reports, billing reports, cost allocation worksheet and audit report.

XIX. Travel Costs

EDGAR 34 CFR 74.27; 2 CFR 230, Attachment B, Item 51(b)

Yes Travel costs incurred by employees and officers are reasonable and allowable, i.e., do not exceed charges allowed under the CIL's written travel policy or, in the absence of such a policy, as provided in 2 CFR 230, Attachment B, Item 51(b).

Yes Travel costs reimbursement requests for federal funds are justified and documented, e.g., through travel authorizations, receipts, etc, in accordance to the CIL's travel policy.

The policy provides for reimbursement by (*check as appropriate*):

☒ (1) Actual expenses

☐ (2) Per diem

Verification Sources for Travel Policies: Reviewed the Travel Reimbursement Policy, time sheets and travel reimbursement sheets; when necessary receipts were attached for items such as parking.

XX. Procurement

EDGAR 34 CFR 74.21 and 74.40 - 74.48

Yes The CIL has written procurement procedures complying with EDGAR 34 CFR 74.44.

Yes The procurement procedures give adequate consideration to costs, quality, delivery, competitive bidding, inspection and acceptance, as well as reasonableness, allocability and allowability of costs.

- | | |
|-----|---|
| Yes | The procurement procedures address the 34 CFR 74.42 – 74.48 requirements including written contract award and administration code of conduct; open and free competitions; cost and price analysis; records and files; contractor conformance/performance. |
| Yes | There is separation of responsibility for the authorization for purchasing and the subsequent payment. For example, payments are made only if disbursements or checks are countersigned. |
| Yes | Payment vouchers are identified as to funding sources, expense classification and transaction date. |

The executive staff/board approval is needed for items over: FREED does not have a set amount for approvals because all purchases are known and approved by the executive team and board.

The person(s) responsible for purchasing equipment and supplies: Jeannie Darling, Operations Manager

Verification Sources for Purchasing: Reviewed the Procurement Procedures, invoices, purchase orders/internal check request forms (which are numbered) and reviewed the process with the Financial Manager and the Operations Manager.

Reviewer's note: If a check exceeds \$1,000 a Board Member must sign the check.

XXI. Property

EDGAR 34 CFR 74.34(f) and (g), 74.44(a)

- | | |
|-----|---|
| Yes | The CIL maintains current and complete records of all property purchased with grant funds. |
| Yes | The CIL has a system for controlling inventory (general ledger control account, card reports, property labels). |
| Yes | Maintenance of property and equipment records are kept. |
| Yes | Records contain: description of each piece of equipment; purchase date/cost; manufacturer's serial number, model number, federal stock number, national stock number, or other ID number; source of equipment award number; where title vests; information from which federal participation can be calculated; location and condition of the equipment, date information was reported; and ultimate disposition |

Yes The CIL inventories property at least once every two years.

Date of last inventory: June 30, 2012

Yes Adjustments to inventory accounts are made only on written authority of a designated official.

Name/Title of designee: Jeannie Darling, Operations Manager

Yes The CIL guards against loss, damage or theft of property.

Yes The CIL has policies, procedures and controls for purchasing and disposing of property.

Verification Sources for Property: Reviewed the audit report, trial balance and the very detailed equipment inventory list. The Operations Manager also had all the written documentation from the funding sources for the disposal of all equipment.

XXII. Conferences and Meetings

2 CFR 230; Memorandum to Grantees Regarding the Use of Grant Funds for Conferences and Meetings, U.S. Department of Education, June 2012 (GAN Enclosure 7)

Yes The CIL ensures (e.g., through written policies or procedures) that, when hosting a conference or meeting, Part C or other federal funds are not used to purchase:

- food for attendees unless doing so is necessary to accomplish legitimate meeting or conference business;*
- alcoholic beverages; or
- entertainment (amusement, diversion, social activities, etc.)*

* This prohibition does not apply to social and recreational services described in 34 CFR 364.4 and related to IL goal(s) in a consumer's CSR, such as peer support meetings.

XXIII. Records Retention

34 CFR 364.53; EDGAR 34 CFR 74.53(b); EDGAR 34 CFR 75.730

Yes Financial, consumer records and other documentation are maintained and retained for a period of three years in accord with federal requirements.

Verification Sources for Records Retention: Reviewed the Record Retention Policy.

XXXIV. Audit

EDGAR 34 CFR 74.26

Yes The CIL expended \$500,000 or more in federal awards during the reporting year.

Yes *If “Yes” above, an annual nonfederal audit including funds received under Title VII, Chapter 1 of the act has been conducted and a copy thereof submitted to the Federal Audit Clearinghouse, as required.*

Verification Sources for Audit: Reviewed grant contracts, financial statements and the audit report. The auditor submits the audit report to the Federal Audit Clearinghouse.

Reviewer’s note: FREED’s accounting oversight is very good; they have controls in place to ensure the financial integrity of the agency. The Financial Manager watches the overall budget very closely and if any issues arise she speaks directly with the Executive Director. She prepares the monthly financials statements that are distributed to the Managers, Executive Director and the Board of Directors. The Financial Manager has provided training to the Board of Directors and Managers on the financial statements to ensure everyone understands all the reports. The Managers are responsible for their individual program budgets and they are reviewed at the monthly Managers Meeting.

Regarding Grant Management - Part III, Section XIII, Sources and Amounts of Funding: A portion of the revenue reported under this section was done as a percentage and an estimate of FREED’s Fiscal Year (July 1st through June 30th) because of the limitations of the accounting system. All revenue submitted in the report is accurate and consistent with the method used. In reviewing this with the Financial Manager she is going to research the accounting software to see if there are some options for them. The information for this report will have to be taken manually by month if needed to report actual revenue received during the Federal Period of October 1st through September 30th.